

SENATE BILL 876

By Finney R.

AN ACT to amend Tennessee Code Annotated, Title 65,
relative to gas utilities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 65, Chapter 5, Part 1, is amended by adding the following language as a new, appropriately designated section:

§ 65-5-1__.

Rates for gas utility services are unjust and unreasonable when the utility's annual return on equity as determined by the authority exceeds ten percent (10%) and the utility's overall rate-of-return as determined by the authority exceeds ten percent (10%). This section shall not be construed as preventing the authority from finding that a gas utility is overearning if the gas utility's annual return on equity or the gas utility's overall annual rate-of-return is less than ten percent (10%). The authority shall annually adjust the maximum annual return on equity and the annual rate-of-return through rulemaking taking into account current market conditions.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.